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Office Memorandum • UNITED STATES GOVERNMENT

TO : Files ✓

DATE: 22 September 1952

FROM : Chief, Budget Division

SUBJECT: Meeting of Budget and Area Line Division Representatives

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In a meeting in [redacted] office, a question was raised as to why Mr. [redacted] and I had held a meeting with the budget representatives of the various area line divisions in the DD/P area.

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1. The question was apparently raised by Mr. [redacted] of the SR Division. It appears that the information received by [redacted] indicated that the meeting was for the purpose of explaining to the area line division representatives the method by which they would carry out certain of their functions.

2. It appeared that the real question in [redacted] mind was how authority to allot funds would be cleared. He had gained the impression that a statement had been made during the course of the meeting that funds would be allotted on the basis of a joint agreement between the area line divisions and the Budget Division without clearance within other segments of the DD/P area.

3. It was explained that the purpose of our meeting was merely to inform the area line division budget representatives how they would receive allotment advices from the Budget Division and to outline the policy that had been established by PRC and the Director in the allowance for funds during the first 3 months of the current fiscal year. It was also pointed out to them, due to the lateness, allotment advices would not be issued by the Budget Division until after the close of the first quarter and that they would then be made on the basis of the policy established in the PRC action.

4. Other questions discussed during the course of the meeting were as follows:

a. Needed personnel in budget work under the senior staff chiefs was discussed and the opinion was expressed that they would require budget staffs only to meet their own individual budget problems.

b. The clearance of program authorizations was described as primarily expressing planning work rather than budget execution work. It was further stated that the Budget Division would advise on balances, availability of funds and so forth, and that it was believed that the senior staffs should consider the operational needs of the proposals. Although there was no specific decision on this point, [redacted] agreed with it.

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c. The need for the proposed procedure under the new organizational set-up was discussed and it was agreed that such a procedure should be developed and issued. The procedure for allotting funds prior to the reorganization was discussed and it was pointed out that the CAL/BD made all sub-allotments. Since this part of the organization has now been transferred to the Budget Division, it was stated that in time we hoped to have the various divisions make their own sub-allotments. It was believed, however, that sub-allotments would be made first by the Budget Division and after the organization became a little more stabilized, the responsibility could be transferred to the area line divisions subject to counter-signature of the proposed sub-allotments by the Budget Division. It was also stated that after the various area line divisions became thoroughly acquainted with the problems of sub-allotting, it might be possible to discontinue the requirement that sub-allotments be made. It was pointed out, however, that these were problems that would have to be resolved based upon our experiences.

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d. [] pointed out that FE would require funds for construction.

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e. The question was raised concerning the allotting to foreign areas and the authority that senior representatives had. [] stated that senior representatives (including []) did not have any unique authority and that all of their authority would stem through the area line divisions here in Washington. The advisability of making sub-allotments directly to foreign areas was discussed, however, and it was felt that such a procedure might be advisable.

f. The question of allotting unvouchered funds by object of expenditure was discussed briefly. [] indicated rather strong opposition to the possibility of such a procedure but it was explained that it might become necessary in the case of personal services due to limitations placed by the Budget Bureau. [] expressed the opinion that steps should be taken to have the Budget Bureau change their allowances if the present allowances require such a procedure.

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cc: Comptroller/

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